

## EAST - WEST TRADE

"East-West Trade Relations Act of 1966" (S. 3363) introduced by Senator Mansfield (D., Mont.) - 17 May 1966

## MAJOR STATEMENTS

State of the Union message - 12 January 1966  
State of the Union message - 10 January 1967  
Secretary of State's transmittal of draft legislation - 11 May 1966

## SUMMARY OF PROPOSAL

To give President authority to negotiate commercial agreements for trade in "peaceful goods" with the Soviet Union and Eastern European countries. Major substantive provision word extend "most favored nation" (MFN) tariff treatment to certain individual Communist countries when this is determined to be in the national interest.

## THE LEGISLATION

### Purposes

To use "peaceful trade" with Communist countries to advance long-range U.S. national interests.

To provide a framework for U.S. firms to conduct business with Communist state trading agencies.

To expand markets for U.S. products in those countries by creating similar opportunities for their products to compete in U.S. markets on a nondiscriminatory basis.

### MFN

Would give the President authority to make an agreement with a Communist country to give that country MFN treatment if he determined it was in the national interest and would result in benefits to the U.S. equivalent to those gained by the other country. Note: the bill has no provision for the negotiation of new tariff concessions with the Communist countries themselves.

### Benefits from agreements (examples)

Arrangements for the protection of industrial rights and processes.  
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Settlement of commercial disputes.  
Improvement of consular relations.  
Settlement of financial and property claims.

Limits

Initial limitation - 3 years, renewable for 3 year periods.


Subject to suspension or termination at any time upon "reasonable notice" and would provide for regular consultation to review the operation of the agreement and "relevant aspects of relations between the U.S. and the other country."

Would apply to all Communist countries except Cuba, Communist China, North Korea, North Vietnam, and the Soviet zone of Germany. (Poland and Yugoslavia currently receive MFN and would continue to do so.)

Would not alter:

Export Control Act of 1949 (P. L. 81-11)  
Mutual Defense Assistance Control Act of 1951 (Battle Act,  
(P. L. 82-213).

Thus controls on military articles and strategic goods and technology would remain in effect, and prohibitions on aid as well as limitations of credit to any of the Communist countries concerned would remain unchanged.

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